

## E-Mail ALPERSRU Y/01

### Subj: SERVICEMEMBERS' GROUP LIFE INSURANCE FAMILY COVERAGE

Ref: (a) [ALCOAST 446/01](#)  
(b) [Personnel and Pay Procedures Manual, HRSICINST M1000.2\(series\)](#)

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<b>Introduction</b>	This E-Mail ALPERSRU provides background information and procedural guidance for implementing SGLI Family Member coverage. Additional information can be found in reference (a).
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<b>Authority</b>	The Veterans' Survival Benefits Improvement Act of 2001 (PL 107-14) extends life insurance coverage to spouses and children of members insured under the Servicemembers' Group Life Insurance (SGLI) program.
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<b>Eligibility</b>	<p>Family coverage will be available for the spouses and children of Active duty service members and members of the Ready Reserve of a uniformed service.</p> <p>Ready Reserve members, who have had their SGLI coverage terminated due to non-payment, must have their accounts up-to-date before SGLI can be restarted or Family Member SGLI can be started. See <a href="#">page 5-A-9 of reference (b)</a> for payment procedures and termination policy.</p> <p>Family coverage is available only in the SGLI program, not in the Veterans' Group Insurance (VGLI) program.</p> <p>Any dependent child under the age 18 is automatically covered under family insurance regardless of their health. Each dependent child of every active duty service member or reservist who is insured under SGLI is automatically insured. Children between the ages of 18 and 23 who are full-time students are covered and any child who, before the age of 18, has been declared legally incompetent will be eligible for family coverage.</p>
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<b>Effective Date</b>	<p>Coverage for spouses of currently married service members will begin on November 1, 2001, when the law goes into effect. Otherwise, coverage for spouses begins on the date of marriage to the service member.</p> <p>Coverage for existing children of service members will begin on November 1, 2001, when the law goes into effect. Otherwise, coverage for natural children begins on the date of birth of the child. Coverage for other dependent children of the service member begins on the date when the child becomes a dependent of the member.</p>
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### Coverage Amounts

The maximum amount of coverage available for spouses is \$100,000. In cases where the member's SGLI coverage is less than \$100,000, the maximum spousal coverage will equal the member's coverage amount.

A member may elect to insure his or her spouse for amounts less than \$100,000, in increments of \$10,000.

If both members are in the military and participate in SGLI, they can both be covered under SGLI and spousal coverage provided that both have SGLI coverage as of November 1, 2001. Each can be insured under both basic SGLI and SGLI family coverage for the maximum amount of \$250,000 and \$100,000, respectively.

All children will be covered for \$10,000.

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### Cost of Coverage

There is no additional charge for child coverage.

Refer to the table below to determine the monthly premium for spousal coverage.

Amount of Insurance	Age of Spouse				
	34 & below	35-44	45-49	50-54	55 & over
\$100,000	\$9.00	\$13.00	\$20.00	\$32.00	\$55.00
\$ 90,000	\$8.10	\$11.70	\$18.00	\$28.80	\$49.50
\$ 80,000	\$7.20	\$10.40	\$16.00	\$25.60	\$44.00
\$ 70,000	\$6.30	\$ 9.10	\$14.00	\$22.40	\$38.50
\$ 60,000	\$5.40	\$ 7.80	\$12.00	\$19.20	\$33.00
\$ 50,000	\$4.50	\$ 6.50	\$10.00	\$16.00	\$27.50
\$ 40,000	\$3.60	\$ 5.20	\$ 8.00	\$12.80	\$22.00
\$ 30,000	\$2.70	\$ 3.90	\$ 6.00	\$ 9.60	\$16.50
\$ 20,000	\$1.80	\$ 2.60	\$ 4.00	\$ 6.40	\$11.00
\$ 10,000	\$0.90	\$ 1.30	\$ 2.00	\$ 3.20	\$ 5.50

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### Deduction of Premiums

Premiums for spouse coverage will automatically be deducted from the member's pay beginning with the 15 November 2001 payday, unless the member takes action as prescribed in the next section.

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### Form for Reducing or Declining Coverage

If the member does not want insurance coverage for his/her spouse or wants a reduced amount of coverage, he/she must complete form [SGLV-8286A, Family Coverage Election](#), and submit the completed form to the PERSRU prior to November 30, 2001. If the member's SGLI election is entered into CGHRMS prior to 5 November, the member will not have any Family SGLI premiums deducted from his/her pay. SGLI elections input after 4 November will result in the following deductions and credits.

<u>Type of Member</u>	<u>Date Input Into CGHRMS</u>	<u>Result</u>
Active Duty	5-18 Nov	½ month dependent SGLI premium deducted on 15 November. This premium will be refunded in 30 November pay.
	19-30 Nov	½ month dependent SGLI premium deducted from 15 November pay and ½ month Dependent SGLI premium deducted from 30 November pay. Premiums will be refunded in 14 December pay.
Drilling Reservist	5-30 Nov	Full month dependent SGLI premium deducted during payday that member drills. This premium will be refunded in the next payday.

The forms can be obtained from the VA's or HRSIC's web sites:

- <http://www.insurance.va.gov/forms/8286A.pdf>.
- <http://www.uscg.mil/hq/hrsic/MSWordForms.htm>

Members may also reduce or decline coverage for their spouse at any later date. If the member wants less than the automatic amount of coverage for his/her spouse (\$100,000 or the amount of the member's coverage, whichever is less), they must complete form [SGLV-8286A, Family Coverage Election](#).

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**Reinstating/  
Increasing  
Family  
Coverage**

Members who have declined or reduced Family Member SGLI coverage can later apply for or increase coverage by completing a form [SGLV-8285A](#) and providing proof of insurability (proof of good health).

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**Spousal  
Notification**

Units must notify the member's spouse, by letter, when the member declines SGLI or Family Member SGLI coverage. This is to inform the spouse that they have 120-days from the date the coverage is terminated to convert Family Member SGLI to commercial coverage. A recommended format for the spousal notification letter is enclosed. Per reference (a), PERSRUs should forward enclosure (1) to units they service. A copy of the letter, the unit has sent to the spouse, should accompany any SGLV-8286/8286A forms sent to the PERSRU from members declining coverage.

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**PERSRU  
Action**

In Conjunction With Program Implementation

If the member does not desire automatic maximum coverage for their spouse effective 1 November 2001, the PERSRU must input a transaction into CGHRMS as detailed in the next section. The transaction must process no later than 30 November 2001. If the dependency data on a member in CGHRMS is incorrect, the PERSRU must update CGHRMS to correct the dependency data. Of most importance is the spouse's date of birth (since Family SGLI premiums are based on this date). Also, it is important to ensure that all children are recorded in CGHRMS, since each child will be insured for \$10,000.

After Program Implementation

- (1) Enlistments/Appointments. When a member enlists or is appointed in the Coast Guard, and the member has a spouse, the PERSRU shall notify the member that the spouse is required to be insured at the maximum \$100,000 level unless the member desires to decline or reduce coverage. The PERSRU shall input a transaction into CGHRMS to record the member's decision (maximum, reduced, or declined).
  - (2) Marriage. When a member marries, the PERSRU shall notify the member that the spouse is required to be insured at the maximum \$100,000 level unless the member desires to decline or reduce coverage. The PERSRU shall input a transaction into CGHRMS to record the member's decision (maximum, reduced, or declined).
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**PERSRU  
Action (cont.)** (3) Divorce. When a member divorces, if the member has SGLI coverage for his/her spouse, the PERSRU shall input a transaction into CGHRMS to stop the member's SGLI coverage for the spouse.  
(4) Birth / Adoption of Child. When a member acquires or loses a child dependent, the PERSRU shall update CGHRMS to record the dependency change.

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**CGHRMS  
Procedures** Procedures for recording SGLI election changes can be found in the [Elections and Beneficiaries](#) topic of the CGHRMS [online help](#). The [Employee Family Member and Beneficiary Information](#) topic provides procedures for adding and correcting family member information.

Note: Family Member SGLI elections were loaded into CGHRMS with a 1 November 2001 effective date. If you are entering a change or a decline in coverage prior to 1 November, it is not necessary to insert a new row. You can make edits to the 1 November dated row because it has not taken effect yet. If you are entering changes or declines after 1 November, you must first click the "add a new row" icon (+).

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**Directives  
Affected** Procedures for Family Member SGLI coverage will be incorporated in the next change to reference (b).

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**Questions** Questions may be directed to the HRSIC Customer Service Team/CGHRMS Help Desk at 785-339-3540 (Menu option 1 for CGHRMS help, option 2 for military pay accounts assistance).

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**Released by**

  
H. W. HEINEKEN  
Deputy Director

**Encl: (1)** [Spousal Notification Letter Format](#)